

LORD MAYOR'S CHARITABLE

FOUNDATION



STORY BY PEGGY HAILSTONE
PHOTOS COURTESY OF LEIGH WALLACE

A STRONG FOUNDATION

In a year when many charitable organisations slashed funding or reduced grant rounds, the Melbourne Lord Mayor's Charitable Foundation (LMCF) managed a 2009 distribution of \$8.9 million, assisted 450 charities, and made donations totalling \$800,000 to frontline agencies working with bushfire victims.

Not an organisation to rest on its laurels, in the same year the Foundation also ran a number of fundraising events and appeals, made two Signature Grants totalling \$1.6 million, and achieved a net revenue increase of \$19.2 million.

All this by a behind-the-scenes team of ten diligent fundraising and philanthropy staff operating from a small, slightly overcrowded first-floor bunker at Melbourne's Town Hall.

Bulging with desks, and sporting walls lined with yellow client folders, the growth and position of the LMCF is a story of sound management and strong market positioning.

Leigh Wallace, Director Grants and Philanthropy, attributes the Foundation's success to heightened philanthropic awareness. "I think there has been a greater awareness of the need for a philanthropic response, for people to be seen to be giving back. This is why we have grown so significantly over the last decade."

Growth has indeed been strong for this Melbourne institution. From a fledgling trust holding £22,000 in 1924 (one year after commencement), the LMCF is now a highly respected and sought after foundation managing \$80.3 million. The revenue increase, Wallace says, is due to the Foundation's proactive approach to fundraising and the growth in trusts and bequests.



Originally established as the Lord Mayor's Foundation for Metropolitan Hospitals and Charities, over the years the Foundation has consciously broadened its funding appeal and fundraising emphasis in line with major community needs and trends. Tracking trends is done through input from the Foundation's voluntary grants advisory panels, through voluntary committee members who bring relevant subject matter expertise, and via analysis of the hundreds of grant applications received each year. Whether deliberate or otherwise, it's a cost effective and circular system that brings big-picture equilibrium to the Foundation's work.

As a foundation with Deductible Gift Recipient (Item 1) status, the Lord Mayor's Charitable Foundation is in the favourable position of being able to both give and receive. Giving is done primarily through their annual grants round which opens early in the year. Consisting of two grants—Major and General—any charity in the Melbourne metropolitan area with DGR status can apply.

According to Wallace, the grants focus is predominantly on service provision. This is true for both Major and General Grants. "One of the interesting things is that in service provision we are happy to provide funding for human resourcing." Wallace is an advocate for funding human resourcing as it relates to programs and projects.

He believes that not funding salaries is an omission in the strategic direction of some other philanthropic organisations. "You can have the greatest program but [without human resources] it will be developed and only sit on a shelf. That's why we tie in the human resourcing to the service provision. This way the charities approaching us for funding can get an outcome to help the community in some way."

Wallace speaks in detail about the Foundation's Major and General Grants, such is their importance. Funding in the Major Grants round is very competitive, he advises. About 100 organisations will submit an Expression of Interest but only about ten organisations will achieve funding in any one year. At \$150,000 per year, or \$300,000 over two years, it is not surprising that these grants are highly sought-after.

More achievable, Wallace says, are General Grants. "These are available up to \$50,000 and we are currently inviting applications until the end of March. People need to download a form from our website and fill that in and send it back to us". In this category, 450 grants were awarded last year.

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Over recent years the foundation's Youth in Philanthropy grants have also developed a niche in the Melbourne philanthropic calendar. "Youth in Philanthropy is really a subset of the General Grants program and it has worked since 2002 when we started with four secondary schools. It has now grown to ten," Wallace explains.

Youth in Philanthropy involves selected schools and selected school students in years 10 and 11. Applications are via invitation from the LMCF and are generally for modest amounts of around \$8,000-\$15,000. Each school involved in the program is allocated \$20,000 to apportion to three applicants. "The onus is on the students to decide how they can satisfy some or all of the needs, often with less money than is being sought. This is the dilemma we always have," Wallace adds. The aim of the program is to develop greater awareness about philanthropy, to foster a philanthropic mindset in the next generation, and to teach students the philosophies and actualities of philanthropy in the real world. To date, the Youth in Philanthropy program has allocated approximately \$1.1million to around 150 charities.

Signature Grants, also by invitation only, are a relatively new innovation of the LMCF. Commenced in 2008, these grants are allocated by the Foundation based on an identified high-priority community need.



In 2009 the Foundation chose homelessness as their significant priority area. Signature grants were consequently awarded to the Salvation Army (\$876,000 for a 24/7 Melbourne's Road Home crisis response team); and to the Sacred Heart Mission (\$750,000 for Journey to Social Inclusion, a program offering intensive, long-term support to 40 people experiencing chronic homelessness). In 2010 it is anticipated that more Signature Grants will be made.

Giving, of course, is not sustainable without receiving, and it is here where the LMCF seems to have found a unique balance. Income is derived from events, fundraising appeals, donations, bequests, personal and business trusts, and investment income. As far as funding pies go, this one has many pieces which equally satisfy.

One piece of the pie that Wallace says is worthy of special mention is the Lady Mayoress' Committee. "As a committee of the LMCF they do a wonderful job. They do their own independent fundraising. They create their own events, their own activities. They're a dedicated band of volunteers, women of all ages, who arrange different activities that appeal to them. They raise well over \$100,000 a year". Monies raised are distributed by the LMCF on the advice and preferences indicated by the Lady Mayoress' Committee.

There is little doubt that over the many years since its inception the work of the LMCF has touched the lives of countless Victorians and Melburnians. As the Foundation's 2009 Annual Report (Changing Lives) asserts, their work is truly transformational.

As an organisation with the objective of being a major force in the philanthropic life of Melbourne, this is one organisation truly achieving its goal.

Find out more at <http://www.lordmayorsfund.org.au>

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